



NEWS RELEASE

DEFENSE FINANCE AND ACCOUNTING SERVICE

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DFAS Delivers on New Military Pay and Entitlements

“DFAS is ready to pay our uniformed members and entitled individuals,” says Gloria Harris, Deputy Director for Military Pay, in response to sweeping changes in military pay and entitlements made in the National Defense Authorization Act for Fiscal Year 2000.

The act contains some of the biggest changes since the 1949 pay reform act that established the current entitlement program for the nation’s military. The changes include two basic pay increases during FY 2000, implementation of ten new entitlements, increases to eight existing entitlements as well as repeal of the dual compensation/pay cap restrictions and introduction of a retirement bonus for those choosing to return to the REDUX retirement system.

In April 1999, DFAS recognized the potential magnitude of these proposed legislative changes and began working with the Office of the Deputy Assistant Secretary of Defense (Military Personnel Policy) and the military services to establish policy guidance and identify eligible members so that DFAS could update affected service members’ pay accounts.

Since that time, DFAS has established either automated or manual procedures to issue the newly authorized payments. As anticipated, these changes have had a tremendous impact on DFAS pay systems and workload, but DFAS is committed to providing timely and accurate pay to all service members.

All military members will receive their basic pay increase in the first payday after the New Year. Likewise, increases for other entitlements, such as enlistment and reenlistment bonuses, nuclear bonuses, special warfare and surface warfare officer bonuses and the elimination of dual compensation offset, have either already started, or will be once the military service notifies DFAS of the eligibility of a member.

Several increases, such as foreign language proficiency, career enlisted flyer incentive and judge advocate continuation pays, cannot be paid until both policy and required personnel information are provided to DFAS. However, in all cases, service members will be paid, in full, any retroactive entitlements back to the date authorized by law or by their service, as soon as possible following receipt of required entitlement information by DFAS. A few of the entitlements, such as the retirement REDUX bonus, have future effective dates and are not, therefore, scheduled for payment. According to Harris, although these changes come at a time of high activity for DFAS due to final Y2K preparations, closing out the final payroll and preparing to issue over six million W-2s to DFAS customers, paying the “warfighters” is DFAS’ #1 priority.